

Points to Consider When Implementing A Mandatory Furlough

§ 63.52 (BCB: Mandatory Furlough) Notwithstanding Section 8-11-195 of the 1976 Code, or any other provision of law, in a fiscal year in which the general funds appropriated for a state agency, institution, or department are less than the general funds appropriated for that state agency, institution, or department in the preceding fiscal year, or whenever the General Assembly or the Budget and Control Board implements a midyear across-the-board budget reduction, agency heads may institute employee furlough programs of not more than ten working days in the fiscal year in which the deficit is projected to occur. The furlough must be inclusive of all employees regardless of source of funds or place of work and must include employees in classified positions and unclassified positions as well as agency heads. Scheduling of furlough days, or portions of days, shall be at the discretion of the agency head, but under no circumstances should the agency close completely. During this furlough, affected employees shall be entitled to participate in the same state benefits as otherwise available to them except for receiving their salaries. As to those benefits that which require employer and employee contributions, including but not limited to contributions to the South Carolina Retirement System or the optional retirement program, the state agencies, institutions, and departments will be responsible for making both employer and employee contributions if coverage would otherwise be interrupted; and as to those benefits which require only employee contributions, the employee remains solely responsible for making those contributions. Placement of an employee on furlough under this provision does not constitute a grievance or appeal under the State Employee Grievance Procedure Act. In the event the reduction for the state agency, institution, or department is due solely to the General Assembly transferring or deleting a program, this provision does not apply. The implementation of a furlough program authorized by this provision shall be on an agency-by-agency basis. Agencies may allocate the employee's reduction in pay over the balance of the fiscal year for payroll purposes regardless of the pay period within which the furlough occurs.

Agency

- If in fiscal year 2002-2003 the general funds appropriated for an agency, institution, or department are less than the preceding fiscal year, the agency head may institute a mandatory furlough program for the entire agency.
- If in fiscal year 2002-2003 the General Assembly or the Budget and Control Board implements a midyear across-the-board budget reduction, the agency head may institute a mandatory furlough program for the entire agency.
- A mandatory furlough program cannot be enacted if an agency's reduction is due solely to the General Assembly transferring or deleting a program.
- A mandatory furlough program may be instituted for not more than ten working days, which can be taken in full or partial day increments, in a fiscal year at the discretion of the agency head.
- Agencies on the Comptroller General's payroll and "lump sum" agencies may allocate the employee's reduction in pay as the leave is taken or spread the amount over the balance of the fiscal year for payroll purposes, regardless of the pay period in which the furlough occurs.
- The agency may not close completely during its regular hours of operation.

Employees

- A mandatory furlough must be inclusive of all employees regardless of source of funds or place of work and must include employees in classified positions, unclassified positions, agency heads, time limited positions, temporary grant positions, and temporary employees.

Benefits

- The employee is entitled to receive the same State benefits as otherwise available to them with the exception of receiving their salary.
- State agencies are responsible for making both employer and employee contributions for State benefits if coverage would be lost due to the furlough. This applies to benefits which require employer and employee contributions.
- The employee remains responsible for making contributions that require only employee contributions.
- An employee will continue to accrue annual and sick leave as if he were in pay status.
- If a holiday falls during the furlough period, the employee should be paid for the holiday.

Other Implications

- The scheduling of furlough days shall be at the discretion of the agency head.
- The placement of an employee on mandatory furlough does not constitute grounds for a grievance or appeal under the State Employee Grievance Procedure Act.
- An employee's state hire date and continuous state service date will not be adjusted.
- An employee's performance review date will not be adjusted; however, an agency should take into consideration an employee's review date prior to implementing a mandatory furlough program for evaluation conference purposes.
- The Office of Human Resources and the Comptroller General's Office recommend the following method for determining the amount of salary reduction:
(hourly rate x number of hrs. in avg. work day) x (number of days furloughed)
- An agency may elect to spread the reduction in pay over any number of pay periods remaining in the fiscal year. If an employee separates from the agency during the fiscal year, it is the agency's responsibility to reconcile any salary reduction with the amount of leave taken for a furlough.

Documentation and Reporting

- Agencies must be able to provide the following information to the Office of Human Resources throughout the fiscal year and provide a written report prior to September 1st of the following fiscal year:
 1. Total number of employees who have participated in the furlough program,
 2. Total number of furlough days,
 3. Estimated cost savings.
- Agencies should maintain internal documentation for record-keeping purposes.